世纪阳光

CENTURY SUNSHINE GROUP HOLDINGS LIMITED

世 紀 陽 光 集 團 控 股 有 限 公 司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 509)

DISCLOSEABLE TRANSACTION

DISPOSAL OF EQUITY INTEREST IN A NON-WHOLLY OWNED SUBSIDIARY

Pursuant to an equity interest transfer agreement dated 20 January 2010 between the Subsidiary, an indirect wholly owned subsidiary of the Company, and the Purchaser, the Subsidiary has sold and the Purchaser has purchased 60% equity interest in the PRC Company at a total consideration of RMB2,050,000 (equivalent to approximately HK$2,356,322).

As the applicable percentage ratio in respect of the transactions contemplated under the Agreement exceeded 5% but was below 25%, the Agreement constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

THE AGREEMENT

Pursuant to the Agreement between the Subsidiary and the Purchaser, the Subsidiary has sold and the Purchaser has purchased 60% equity interest in the PRC Company. The principal terms of the Agreement are set out below:

Date:	20 January 2010
Vendor:	The Subsidiary
Purchaser:	The Purchaser. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is a third party independent of the Company and he is not a connected person of the Company.
Subject matter:	60% equity interest in the PRC Company representing the registered capital of RMB1,830,000 (equivalent to approximately HK$2,103,448) of the PRC Company
Consideration:	RMB2,050,000 (equivalent to approximately HK$2,356,322) of which RMB1,050,000 (equivalent to approximately HK$1,206,897) shall be payable by the Purchaser on or before 30 January 2010 and the balance of the Consideration shall be payable by the Purchaser within 10 business days after the completion of the registration for the change of shareholding (股權變更登記手續) by way of fund transfer to the designated bank account of the Subsidiary.

The Consideration was fully paid by the Purchaser and the registration for the change of shareholding was completed on 7 April 2010. After the Disposal, the Subsidiary ceased to have any interest in the PRC Company and the PRC Company ceased to be a non-wholly owned subsidiary of the Company.

The terms of the Agreement were arrived at after arm's length negotiations between the parties. Having considered the fact that the PRC Company was operated at a loss, the Consideration was determined by reference to the carrying value of the PRC Company. The Directors are of the view that the terms of the Agreement are fair and reasonable and in the interests of the shareholders of the Company as a whole.

INFORMATION OF THE GROUP AND THE PRC COMPANY

The principal activities of the Group consist of production and sale of agriculture-related products, raw materials and magnesium-related products.

The PRC Company was principally engaged in trading of compound fertilizers in the PRC. Prior to the Disposal, a substantial portion of the goods sold by the PRC Company was products manufactured by the Group, while the remaining portion was products of third parties. After the Disposal, the Group may continue to sell its products to the PRC Company on similar commercial terms of other customers of the Group.

According to the audited financial statements of the PRC Company prepared in accordance with Hong Kong accounting standards, the audited net asset value of the PRC Company was approximately RMB3,077,907 (equivalent to approximately HK$3,537,824) as at 31 December 2009. The audited profit and loss of the PRC Company for each of the two financial years ended 31 December 2008 and 2009 are set out below:–

	For the Financial Year Ended 31 December 2008	
	RMB	*equivalent to approximately HK$*
Net profit before taxation and extraordinary items (audited)	158,003	181,613
Net profit after taxation and extraordinary items (audited)	100,452	115,462

	For the Financial Year Ended 31 December 2009	
	RMB	*equivalent to approximately HK$*
Net (loss) before taxation and extraordinary items (audited)	(102,066)	(117,317)
Net (loss) after taxation and extraordinary items (audited)	(102,312)	(117,600)

REASONS AND BENEFITS FOR THE TRANSACTIONS

The PRC Company was established in 2007 with an aim to obtain higher selling price of its products by virtue of the business network of the joint venture partner who holds the remaining 40% equity interest of the PRC Company. The PRC Company did not achieve such aim and was operated at a loss of approximately RMB102,066 (equivalent to approximately HK$117,317) for the financial year ended 31 December 2009. As such, the Group decided to terminate the joint venture arrangement and dispose of the equity interest in the PRC Company.

Based on the carrying value of the 60% equity interest in the PRC Company as at 20 January 2010, the Company realised a gain of approximately RMB220,000 (equivalent to approximately HK$252,874) from the Disposal. The net proceeds was used by the Group for general working capital purpose.

IMPLICATIONS OF THE LISTING RULES

As one of the applicable percentage ratios, the revenue ratio, in respect of the transaction contemplated under the Agreement exceeded 5% but was below 25%, the Agreement constituted a discloseable transaction pursuant to Chapter 14 of the Listing Rules.

Due to different interpretation of the relevant Listing Rules by the PRC staff of the Group that the turnover arising from the transactions between the Group and the PRC Company could be eliminated on a group basis and therefore disregarded such figures from the calculation of the percentage ratios, the Company did not promptly make an announcement after the execution of the Agreement in accordance with Chapter 14 of the Listing Rules. The Board and the senior management of the Group will take precautionary measures to avoid recurrence of similar delay in the future by strengthening relevant staff's knowledge on the Listing Rules, improving internal communication and implementing regular review of material contracts and transactions of the Group.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

"Agreement"	the equity interest transfer agreement between the Subsidiary as transferor and the Purchaser as transferee in respect of the Disposal dated 20 January 2010;
"Company"	Century Sunshine Group Holdings Limited is a company incorporated in the Cayman Islands whose shares are listed on The Stock Exchange of Hong Kong Limited;
"Consideration"	RMB2,050,000 (equivalent to approximately HK$2,356,322) being the total consideration payable by the Purchaser to the Subsidiary pursuant to the Agreement;
"Director"	Directors of the Company;
"Disposal"	the disposal of 60% equity interest in the PRC Company by the Subsidiary pursuant to the terms of the Agreement;
"Group"	the Company and its subsidiaries;
"Listing Rules"	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"PRC"	The People's Republic of China;
"PRC Company"	福州美地國際貿易有限公司 (Fuzhou Meidi International Trading Limited)*, a company established in the PRC and owned as to 60% by the Subsidiary prior to the completion of the Disposal;
"Purchaser"	吳久東 (Wu Jiu Dong*), a third party independent of the Company;
"Subsidiary"	Century Sunshine (Jiangxi) Ecological Technology Limited (世紀陽光(江西)生態科技有限公司), a wholly owned subsidiary of the Company established in the PRC;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;

"RMB" Renminbi, the lawful currency of PRC; and

"%" per cent.

Note: For illustration purpose of this announcement, save as otherwise stated herein, exchange rate of RMB1 = HK$0.87 has been used for conversion.

By Order of the Board
Century Sunshine Group Holdings Limited
Chi Wen Fu
Chairman

Hong Kong, 26 August 2010

As at the date of this announcement, the Executive Directors of the Company are Mr. Chi Wen Fu, Mr. Shum Sai Chit and Ms. Chi Bi Fen; the Non-executive Director is Ms. Wong May Yuk; the Independent Non-executive Directors are Mr. Kwong Ping Man and Mr. Liu Hoi Keung.

* *For identification purpose only.*